



Canadian Tourism
Commission

Commission canadienne
du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active





Key highlights

- While international overnight arrivals to Canada have increased at a healthy rate in 2014, there has been one glaring exception—our largest customer, the US.
 - Overnight arrivals from CTC's overseas markets increased at a double-digit pace for the sixth consecutive months, contributing to a 10.8% gain in overnight arrivals year-to-date November.
 - However, overnight arrivals from the US, which represents 70% of international visitors to Canada, stagnated over the first 11 months of 2014, edging up just 0.6%, and thus deflating total international overnight arrivals to 3.1% year-to-date November.
 - The UNWTO (October 2014) reports that global international arrival is trending in the 5% range, well above its long-term projection of 3.8%. Overall, Canada is underperforming and a concerted US turnaround will be required to get to the global level. The most recent statistics on Canadians travelling within Canada suggest that domestic travel is also stagnating, which means that our over-reliance on domestic tourism continues to be a vulnerability to maintain a competitive tourism sector in Canada.
- All CTC markets had gains in overnight arrivals in November 2014, with double-digit growth in Asian (17.2%) and Latin American markets (15.2%), and with strong showings in the core European and Australian markets (+4.9%).
 - In November, four markets had their highest level of overnight arrivals for that month ever: China (+20.4%), India (+12.6%), France (+10.7%) and Australia (+1.7%).
 - Overnight arrivals from CTC Latin America rose in November 2014, with strong gains registered from both Mexico (+10.4) and Brazil (+23.5%).
- Despite a more favourable exchange rate for US visitors, total overnight arrivals from the US registered a decline (-3.4%) in November, a decrease caused by lower arrivals by automobile (-9.2%) and other modes of transport (-5.6%), though partially offset by an increase in arrivals by air (+6.3%) compared to 2013.
- From January to November 2014, overnight arrivals from CTC overseas markets increased 10.8%, supported by improvements across all markets in Europe and Australia (+5.2%), Latin America (+11.5%) and Asia (+21.3%).

Tourism review Inbound highlights

Overnight trips to Canada

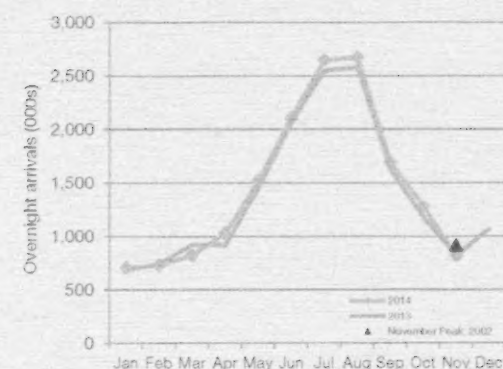
	Nov. 2014	14/13 Nov. % Change	Jan. - Nov. 2014	Year-to-date % Change
United States				
Automobile	324,859	-9.2	6,354,676	-1.7
Air	238,720	6.3	3,756,748	7.5
Other	31,907	-5.6	1,218,496	-6.3
US Total	595,486	-3.4	11,329,920	0.6
Core Markets				
UK	27,395	5.6	631,494	5.0
France	18,402	10.7	450,952	5.1
Germany	11,887	-1.9	313,881	5.7
Australia	11,086	1.7	253,580	5.5
Core Total	68,770	4.9	1,649,907	5.2
Asia/Latin America Markets¹				
Japan	12,158	18.2	243,205	14.9
South Korea	7,528	12.6	152,373	13.1
Mexico	7,613	10.4	159,107	14.6
Brazil	4,964	23.4	90,065	6.3
China	20,071	20.4	425,856	29.4
India	8,553	12.6	162,867	19.6
Asia/Latin America Markets Total	60,887	16.7	1,233,473	19.2
Overseas Key Markets	129,657	10.1	2,883,380	10.8
Total 11 CTC Markets	725,143	-1.2	14,213,300	2.5
Other Overseas Countries	89,771	5.8	1,788,624	7.7
Non-US Countries	219,428	8.3	4,672,004	9.6
Total Countries	814,914	-0.5	16,001,924	3.1

Note: Statistics Canada preliminary estimates.

¹ In previous editions, Asia/Latin America Markets were referred to as "Emerging/Transition" Markets. The name was changed to more effectively reflect the reality of these markets.

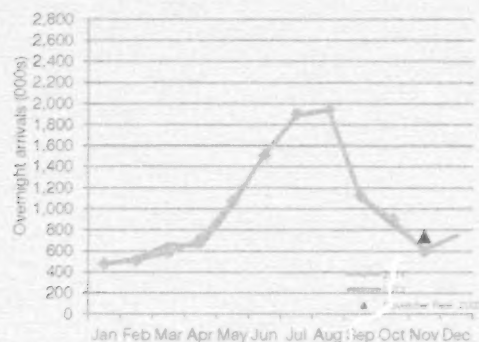
Source: Statistics Canada, International Travel Survey.

International trips



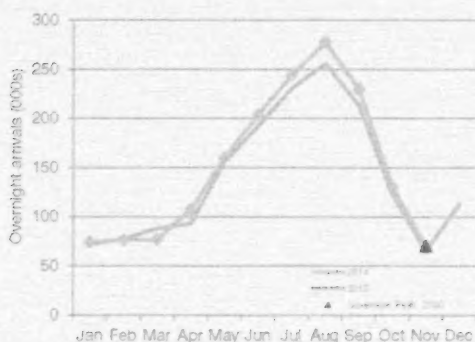
- Canada welcomed 815,000 international visitors in November 2014, 89% of which were from the 11 CTC markets. This is equivalent to a 0.5% decline compared to November 2013.
- From January to November 2014, Canada received approximately 16 million international visitors, up 3.1% compared to the same period last year.
- The visitor peak on record during the month of November occurred in 2002 with 912,000 international visitors to Canada.
- In November 2014, overnight arrivals from CTC's Core markets increased 4.9%, with growth in arrivals from France, the UK and Australia, and a minor decline from Germany. Year-to-date November 2014, arrivals from Core markets were up 5.2% over the same period last year to 1.65 million.
- Overnight arrivals from CTC markets in Asia and Latin America grew 16.7% in November, thanks to double-digit growth from Brazil (+23.4%), China (+20.4%), Japan (+18.2%), South Korea (+12.6%), India (+12.6%) and Mexico (+10.4%). From January to November 2014, arrivals from CTC's markets in Asia and Latin America rose 19.2% over the same period last year to 1.23 million.

United States



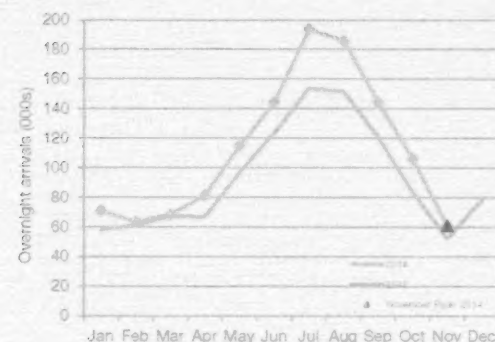
- In November 2014, gains were recorded in US arrivals by air (+6.3%), but these were offset by a decrease in arrivals by autos (-9.2%) and other modes of transport (-5.6%), resulting in a 3.4% decline in total US overnight arrivals over 2013. This slight decline occurred despite the more favorable exchange rate for US visitors.
- Nearly 600,000 US travellers visited Canada in November 2014. The US visitor peak on record during the month of November occurred in 2002 with 733,000 overnight trips to Canada.
- From January to November 2014, overnight arrivals from the US rose 0.6% compared to the same period last year to 11.33 million.
- Year-to-date November 2014, six provinces registered increases in border crossings with the largest gains in PEI (+19.4%), Nova Scotia (+16.2%), Newfoundland (+8.3%) and Alberta (+4.1%). US overnight arrivals to Canada increased 70,126 in the first 11 months of 2014, with the bulk captured by BC, Quebec, Alberta and Nova Scotia.

Core Markets



- Three CTC Core markets registered gains in November. France posted the largest increase (+10.7%), followed by the UK (+5.6%) and Australia (+1.7%). Germany recorded a minor decline (-1.9%) over November 2013.
- Year-to-date November 2014, overall arrivals from Core markets increased 5.2%, with similar year-over-year gains from all four markets: Germany (+5.7%), Australia (+5.5%), France (+5.1%), and the UK (+5.0%).
- In November 2014, Canada welcomed 69,000 visitors from CTC Core markets, falling short of the November 2000 peak of 70,000 visitors by just 1,000 visits.

Asia and Latin America



- The CAN+ visa program implemented in May in Mexico helped to account for the strong rise (+10.4%) in visitors from that country in November—the seventh consecutive month of double-digit growth.
- The upswing of arrivals from Japan (+18.2%) in November was partly facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto in recent months.
- In November 2014, China (+20.4%) and India (+12.6%) continued to post strong numbers. The launch of the CAN+ visa program in India in July has facilitated double-digit growth in arrivals over the past few months.
- Visitation from Brazil was facilitated by the launch of a pilot project of the CAN+ visa program in that country in recent months, leading to 23.4% growth in November 2014.
- Year-to-date November 2014, arrivals from CTC's markets in Asia and Latin America increased 19.2% over 2013, with all markets registering growth: China (+29.4%), India (+19.6%), Japan (+14.9%), Mexico (+14.6%), South Korea (+13.1%) and Brazil (+6.3%).
- In November 2014, the number of visitors from the six Asian and Latin American markets reached a new peak for that month with about 61,000 visitors to Canada.

Peak Year Review of Overnight Trips to Canada by Market – January to November

Markets	Core Overseas				United States		Asia and Latin America					
	Australia	France	Germany	United Kingdom	Total	Air Only	Brazil	China	India	Japan	Mexico	South Korea
Previous Peak Year	2013	1996	1996	2007	2002	2005	2013	2013	2012	1996	2008	2007
Arrivals During Peak Year	240,280	444,263	438,290	847,052	14,569,801	3,639,640	84,707	329,035	136,630	617,611	247,742	185,692
Current Arrivals (YTD November 2014)	253,580	450,952	313,881	631,494	11,329,920	3,756,748	90,065	425,856	162,867	243,205	159,107	152,373
Current % of Previous Peak	105.5%	101.5%	71.6%	74.6%	77.8%	103.2%	106.3%	129.4%	119.2%	39.4%	64.2%	82.1%

Note: Statistics Canada preliminary figures

Sources: Statistics Canada

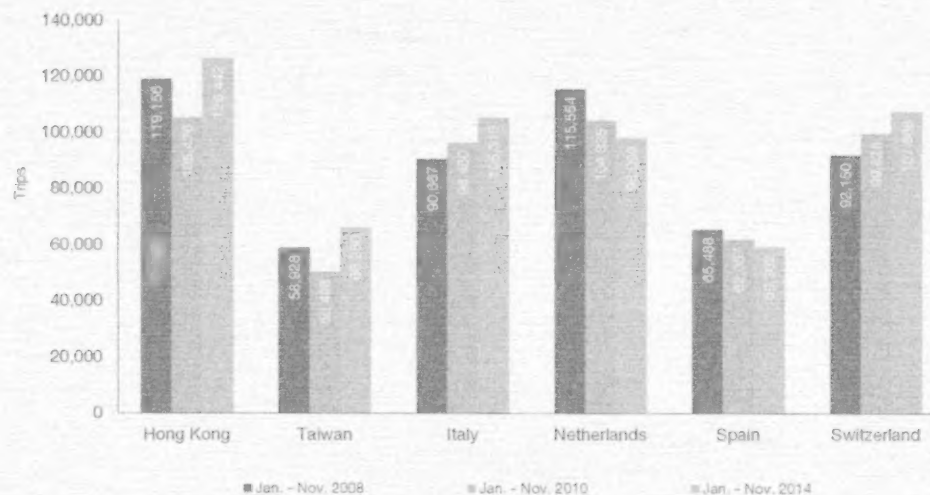
Peak achieved during YTD November 2014

- Year-to-date November 2014, five markets—China, France, India, Brazil and Australia—achieved their highest level of overnight arrivals ever for the first 11 months of the year.
- Arrivals from the UK, Germany and the US achieved 72% to 79% of their respective YTD November peaks, recorded in 2007, 1996 and 2002 respectively.
- Arrivals from France surpassed the YTD November peak of 444,300 recorded in 1996, with a new peak of 451,000 visitors in the first 11 months of 2014.
- Arrivals from South Korea achieved 82% of the YTD November peak recorded in 2007.
- Year-to-date November 2014, US arrivals by air achieved a new peak with 3.76 million overnight visits to Canada, surpassing the previous record of 3.64 million visits recorded in 2005.
- Arrivals from Mexico were at 64% of the YTD November peak recorded in 2008.
- Arrivals from Japan were at 39% of the YTD November peak recorded in 1996.

Market Watch

- In November 2014, overnight arrivals from secondary European markets were mixed. Arrivals from Italy (+12.4%) and the Netherlands (+6.4%) edged up, while visits from Switzerland (-2.3%) and Spain (-2.5%) declined slightly compared to November 2013.
- Year-to-date November 2014, arrivals grew from all four secondary European markets, led by Italy (+21.4%), and followed by Spain (+17.6%), the Netherlands (+5.9%) and Switzerland (+5.7%).
- Overnight arrivals from Taiwan surged (+29.4%), while arrivals from Hong Kong grew slightly (+0.5%) in November 2014.
- From January to November 2014, arrivals from both Taiwan (+11.3%) and Hong Kong (+5.8%) increased compared to the same period in 2013.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Nov. 2014	14/13 Nov. % Change	Jan. - Nov. 2014	Year-to-date % Change
Italy	5,151	12.4	105,310	21.4
Netherlands	3,860	6.4	98,093	5.9
Spain	2,209	-2.5	59,362	17.6
Switzerland	3,702	-2.3	107,668	5.7
Hong Kong	6,324	0.5	126,442	5.8
Taiwan	3,303	29.4	66,250	11.3

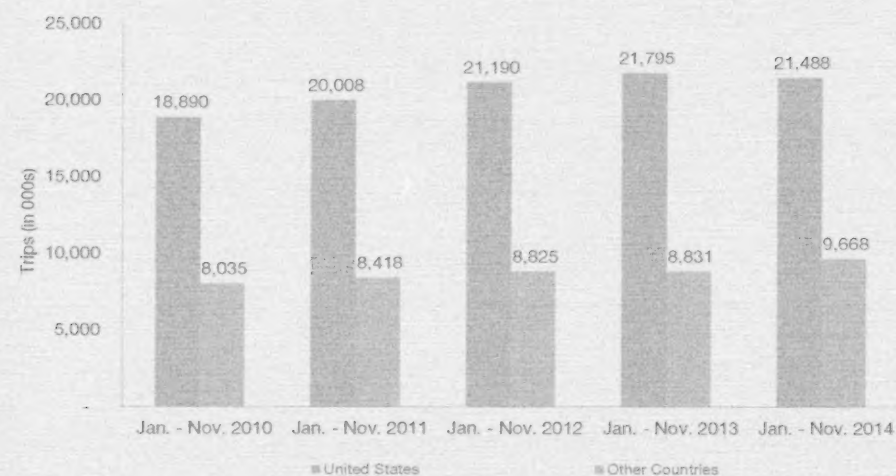
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Competitive review (January - November 2014)*

* **Competitive review:** Information for this section of the report was unavailable at time of writing due to delays in the releases of inbound arrivals figures for the month of November from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI).

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips by Canadians

	Nov. 2014	14/13 Nov. % Change	Jan. - Nov. 2014	Year-to-date % Change
United States	1,652,664	1.4	21,487,818	-1.4
Other Countries	744,235	13.9	9,667,983	9.5
Total Trips from Canada	2,396,919	5.0	31,155,801	1.7

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

- In November 2014, Canadian outbound travel increased 5.0% over the same month last year to 2.4 million trips.
- The number of Canadians visiting the US during the month of November increased 1.4% to 1.65 million trips and Canadian overnight travel to overseas destinations rose 13.9% to 744,000 trips—in spite of the weakening of the Canadian dollar in recent months.
- From January to November 2014, overall outbound trips by Canadians grew 1.7% to 31.16 million trips as travel to overseas destinations (+9.5%) more than offset decreases in the number of trips to US destinations (-1.4%).
- In November 2014, most Canadians returned to the country from the US through Ontario (1.15 million re-entries, +6.3%), BC (490,500 re-entries, +3.7%) and Quebec (356,000 re-entries, +6.5%).
- In November 2014, the top three re-entry points for Canadians returning from overseas countries were Ontario, Quebec and BC. All three provinces recorded modest gains in the number of re-entries, up 1.9%, 1.2% and 1.4% respectively.

Consumer outlook

Consumer confidence

- **Canada:** The index of consumer confidence declined by 1.4 percentage points in November to 82.7 (2002 = 100). November 2014 marked the third consecutive fall of the monthly index, indicating a gradual degradation of consumer confidence in Canada.
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in October, decreased in November. The index stood at 91.0 (1985=100) in November, down from 94.1 in October, indicating a loss of consumer confidence in the United States during the month of November.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In November 2014, the National Occupancy Rate recorded an increase of 0.4 points to 60.5%. PEI registered the largest increase (+7.5 points), followed by Manitoba (+4.5 points) and BC (+3.5 points).
- Year-to-date November 2014, the National Occupancy Rate rose (+1.6 points to 65.7%) compared with the previous year. PEI (+3.4 points), BC (+3.0 points) and Quebec (+2.8 points) recorded the largest gains in hotel occupancy.
- From January to November 2014, the National Average Daily Rate rose to \$137.46, up 3.6% compared with the same period in 2013. Newfoundland and Labrador (+4.8%), BC (+4.7%), PEI (+4.5%) and Quebec (+4.0%) recorded the highest increases in average daily hotel rates.
- In the first 11 months of 2014, the National Average Revenue per Available Room (RevPAR) was \$90.30 (+6.3%), with PEI (+11.8%, \$65.14) posting the largest growth, followed by BC (+9.7%, \$91.76) and Quebec (+8.6%, \$96.51).

Canadian Occupancy Rates, By Province*

	Nov. 2014	14/13 Change^	Jan. - Nov. 2014	Year-to-date Change^
Alberta ¹	68.6	-3.8	69.3	-0.2
British Columbia	54.1	3.5	65.4	3.0
Saskatchewan	68.0	-4.1	65.4	-3.7
Manitoba	64.9	4.5	63.2	1.4
Ontario	61.6	0.2	65.6	2.0
Quebec	59.6	1.8	66.5	2.8
New Brunswick	49.4	-5.0	56.7	-0.5
Nova Scotia	56.8	0.6	62.3	1.7
Newfoundland	67.9	-3.5	68.4	-4.9
Prince Edward Island	43.6	7.5	52.2	3.4
Northwest Territories	66.7	0.6	68.5	-1.7
Yukon	55.1	-0.2	67.1	0.2
Canada	60.5	0.4	65.7	1.6

* Note: Based on the operating results of 222,165 rooms (unweighted data).

^ Percentage points

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc., with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.